



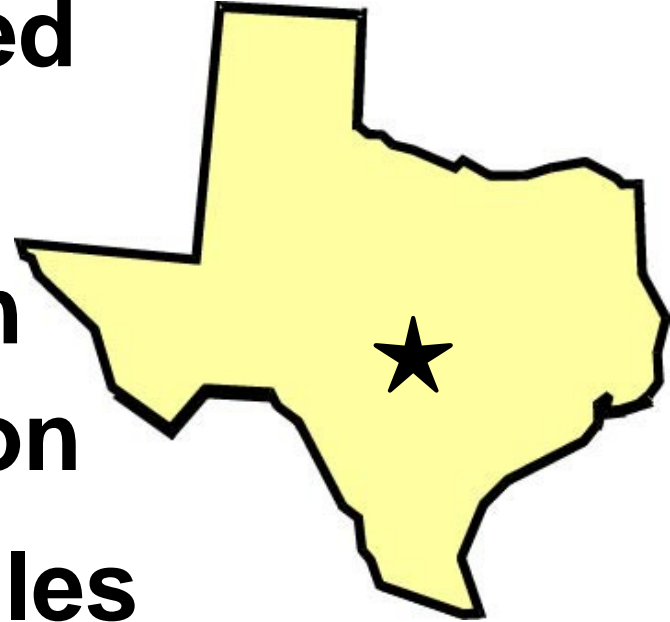
GreenChoiceTM

**Austin's Renewable Energy
Alternative**



Austin Energy

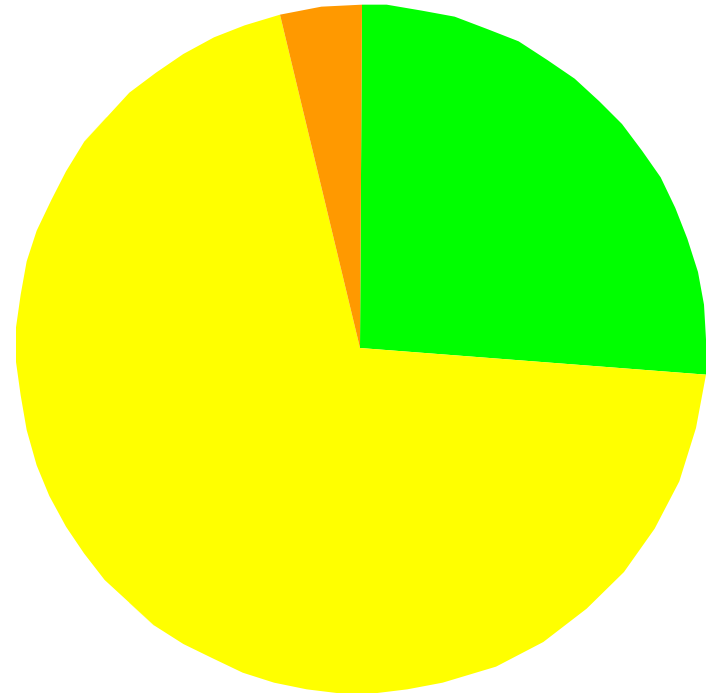
- **Municipally-owned electric utility**
- **Serves more than 700,000 population**
- **Area > 400 sq. miles**





Customers

- **26% of energy sold to residential**
- **70% to commercial**
- **4% to municipal**





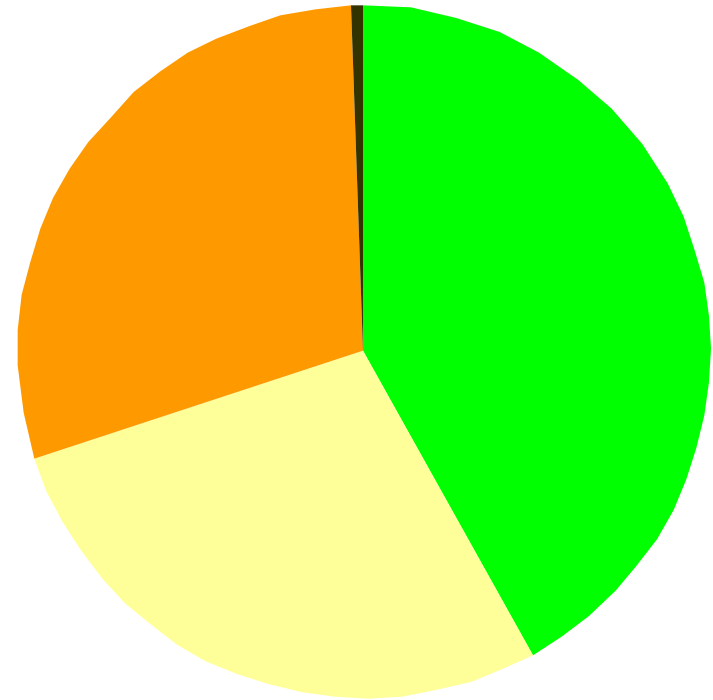
Generating Sources

- **3 gas and oil-fired plants_ 1620 MW**
- **1 coal-fired plant_____ 570 MW**
- **1 nuclear plant_____ 400 MW**
- **Purchase 86 MW of wind**
- **Purchase 16 MW landfill methane power**



Conventional Generation Mix by MWH

- **Coal 39%**
- **Nuclear 27%**
- **Gas/Oil 34 %**





GreenChoice™

Background

- **City Council Resolution:
Goal of 5% Renewable by 2005**
- **Formula for paying for renewable energy**
- **Cost exceeding Avoided Cost =
Green Pricing + payment from net income**



GreenChoice™

Why ?

- **Many customers are concerned about impact of power generation on the atmosphere and climate**
- **Customers want to hedge against fuel price inflation**



Renewable Source Selection Background

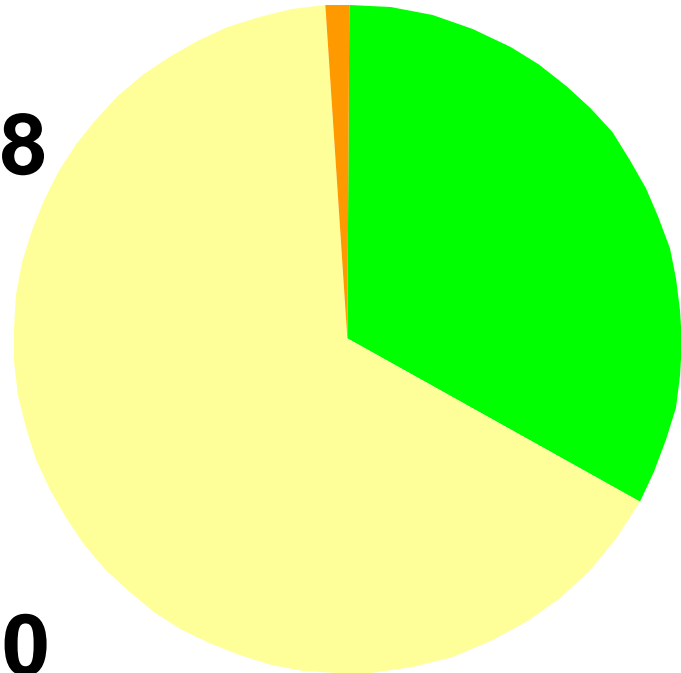
- **RFP issued Jan 1999**
- **Received 12 proposals:
Wind, solar PV, solar thermal,
landfill methane, geothermal,
biomass**
- **Selected Wind and Landfill
Methane**



GreenChoice™

Renewable Sources

- **Wind 72%**
- **Landfill methane (28 % of MWH)**
- **Photovoltaics (0.1% of MWH)**
- **Total GreenChoice Energy supply = 360 million kWh / yr**





Wind

Pros and Cons

- **Least Expensive (per kWh)**
- **Little Firm Capacity**
- **Public Acceptance - fairly high**

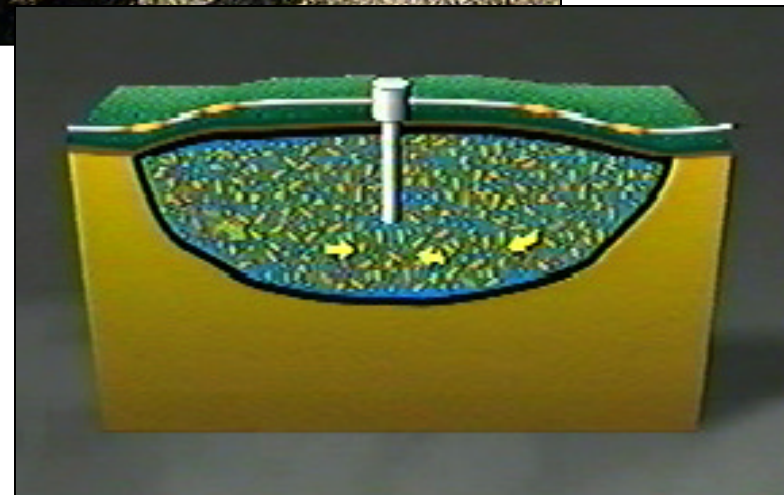




Landfill Methane

Pros and Cons

- **40% more expensive than wind energy**
- **Very high firm capacity**
- **Public acceptance - moderate**





Solar Photovoltaics

- **Most expensive
(about 7 times
cost of wind)**
- **Fairly high firm
capacity**
- **Public
acceptance -
extremely high**





How GreenChoice™ Works

- All customers eligible
- Subscribers pay a fixed GreenChoice charge in place of a fuel charge that is periodically adjusted
- Green Choice charge = 2.85 cents per kWh
- Fuel Charge is currently 2.68 cents per kWh (was 1.33 cents in early 2000)
- Commercial customers - recognition proportional to level of participation



Promotion and Marketing

- **Stories in utility bill inserts**
- **Ads in local newspapers**
- **Billboards**
- **Customized presentations to businesses**
- **Speaking engagements to community organizations**
- **Letter from environmental groups to their mailing list**
- **TV commercials**
- **Theatre Slides**



Status (as of July 13, 2001)

- **GreenChoice launched mid-Jan 2000**
- **Began billing April 2001**
- **Over 8700 residential customers enrolled**
- **18 large commercial subscribers**
- **74 small businesses**
- **Green Energy = 193 million kWh / yr**



Corporate Champions

- **Samsung**
- **Advanced Micro Devices**
- **IBM**
- **3M**
- **Fisher**
- **Rosemount**
- **Solectron**
- **Hyatt Hotel**
- **Four Seasons Hotel**
- **La Quinta Inns**
- **Heart Hospital**
- **State Farm Insurance**
- **Texas Nat. Resources Comm.**